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Lawsuit challenges Deutsche Bank, PHH over Florida foreclosure assignment

A new lawsuit claims a Florida foreclosure relied on a disputed mortgage assignment, putting industry practices and major players under scrutiny



By Tez Romero
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A new lawsuit in New York is putting the spotlight on mortgage assignments and foreclosure practices, with big names in the industry called out over a Florida property dispute.

Filed on September 8, 2025, in the Southern District of New York, the case of Mario Mirabal versus Deutsche Bank National Trust Company, PHH Mortgage Corporation, and KP Investments Miami, LLC, is already raising eyebrows among mortgage professionals.

At the heart of the complaint: Mirabal claims that the foreclosure judgment on his Miami Beach home is void because it was based on a mortgage assignment he says was fabricated years after the fact.

Mirabal’s story starts with a mortgage that, according to his complaint, was transferred in June 2010—well after IndyMac Bank, the original lender, had failed and been taken over by the FDIC. The assignment moved the mortgage into the IndyMac INDX Mortgage Loan Trust 2007-AR5, but Mirabal says the trust’s own rules closed the door on new loans years earlier. He’s not just questioning the paperwork; he’s arguing that the entire foreclosure process that followed was built on a shaky foundation.

The complaint lays out a timeline where the Miami-Dade foreclosure court, Mirabal says, never had the right to rule on his property in the first place. He points to a March 2020 dismissal with prejudice—meaning the case should have been over for good—followed by a December 2024 dismissal without prejudice, which came after the property had already been conveyed to KP Investments Miami, LLC on November 13, 2024. Mirabal alleges that these legal twists allowed the defendants to keep pushing for his eviction and to cloud the title to his home.

What’s more, Mirabal claims that the assignment was signed by someone acting as “Attorney in Fact” for IndyMac Bank at a time when the bank no longer existed. He argues that this violated the trust’s rules and New York law, which he says should make the foreclosure judgment a legal nonstarter.

For those in the mortgage business, this isn’t just another homeowner-versus-bank story. Mirabal’s complaint takes aim at the way mortgage assignments are handled, especially when it comes to trusts and securitization. He’s asking the court to declare the foreclosure judgment and everything that followed it void, to stop any further attempts to enforce it, and to make sure the original loan documents are preserved.

The case also highlights the risks that come with documentation and compliance. If Mirabal’s claims hold up, it could mean more scrutiny for how mortgages are transferred into trusts, especially after the fact. That’s something every mortgage professional, from servicers to secondary market players, should be watching closely.

It’s important to remember that these are just allegations at this point. The defendants haven’t had their say in court yet, and no final decision has been made. But as this case moves forward, it’s sure to be one to watch—not just for the parties involved, but for anyone in the mortgage industry who cares about the rules, the paperwork, and the risks that come with getting them wrong.

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